

**CITY OF WILLIAMSBURG**  
**INDEPENDENT AUDITORS' REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**SUPPLEMENTARY AND OTHER INFORMATION**  
**SCHEDULE OF FINDINGS**

**JUNE 30, 2015**



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**City of Williamsburg**

**Officials**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
Frank Murphy	Mayor	Jan 2016
Don Kirkpatrick	Mayor Pro Tem	Jan 2016
Adam Grier	Council Member	Jan 2016
Dave Kubas	Council Member	Jan 2016
Pat McGovern	Council Member	Jan 2018
Martin Bunge	Council Member	Jan 2018
Shelly Annis	Clerk / Treasurer	Appointed
Eric Tindal	Attorney	Appointed

**City of Williamsburg**

# MURPHY, SMITH & Co. PLLC

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## Independent Auditors' Report

To the Honorable Mayor and  
Members of the City Council:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Williamsburg, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Williamsburg as of June 30, 2015, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

## Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

## Emphasis of a Matter

As disclosed in Note 4 to the financial statements, City of Williamsburg adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinions are not modified with respect to this matter.

## Other Matters

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Williamsburg's basic financial statements. The financial statements for the four years ending June 30, 2009 (which are not presented herein), were audited by other auditors whose reports expressed unqualified opinions on financial statements in 2006 and qualified opinions on financial statements from 2007-2009, which were prepared on the basis of cash receipts and disbursements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the five years ended June 30, 2013 (which are not presented herein) and expressed unmodified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

The other information, the budgetary comparison information, the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions on pages 22 through 29 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The City has not presented Management's Discussion and Analysis which introduces the basic financial statements by presenting certain financial information as well as management's analytical insights on that information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.



Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 1, 2015 on our consideration of the City of Williamsburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Williamsburg's internal control over financial reporting and compliance.

*Murphy, Smith & Co., PLLC*

Murphy, Smith & Co. PLLC

Certified Public Accountants

Osage, Iowa

October 1, 2015

City of Williamsburg  
Cash Basis Statement of Activities and Net Position  
As of and for the year ended June 30, 2015

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
<b>Functions / Programs:</b>				
Governmental activities:				
Public safety	\$ 697,653	2,694	21,630	-
Public works	392,923	2,231	320,458	-
Health & Social Services	7,800	-	-	-
Culture and recreation	929,005	248,534	27,351	-
Community and economic development	35,969	-	-	-
General government	185,141	15,474	-	-
Debt service	2,125,801	-	-	-
Capital projects	1,225,826	-	-	-
Total governmental activities	5,600,118	268,933	369,439	-
Business type activities:				
Water	\$ 323,641	375,336	-	-
Sewer	385,439	524,978	-	-
Child Development Center	49,404	-	54,360	-
Total business type activities	\$ 758,484	900,314	54,360	-
Component Unit:				
Library Foundation	\$ 3,076	-	4,066	-
Total Component Unit	\$ 3,076	-	4,066	-
Total	\$ 6,361,678	1,169,247	427,865	-
<b>General Receipts:</b>				
Property tax and other city tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Grants and contributions not restricted to specific purposes				
Unrestricted interest on investments				
Bond Proceeds				
Miscellaneous				
Transfers				
Total general receipts and transfers				
Change in cash basis net assets				
Cash basis net assets beginning of year				
Cash basis net assets end of year				
<b>Cash Basis Net Assets</b>				
Restricted:				
Nonexpendable:				
Thelma Wyman Memorial				
Expendable:				
Streets				
Urban renewal purposes				
Debt service				
Other purposes				
Unrestricted				
<b>Total cash basis net assets</b>				

See notes to financial statements.

Exhibit A

Net (Disbursements) Receipts and Changes in Cash Basis Net Position			Aggregate Discretely Presented Component Unit
Governmental Activities	Business Type Activities	Total	
(673,329)	-	(673,329)	-
(70,234)	-	(70,234)	-
(7,800)	-	(7,800)	-
(653,120)	-	(653,120)	-
(35,969)	-	(35,969)	-
(169,667)	-	(169,667)	-
(2,125,801)	-	(2,125,801)	-
(1,225,826)	-	(1,225,826)	-
(4,961,746)	-	(4,961,746)	-
-	51,695	51,695	-
-	139,539	139,539	-
-	4,956	4,956	-
-	196,190	196,190	-
-	-	-	990
-	-	-	990
(4,961,746)	196,190	(4,765,556)	990
\$ 970,148	-	970,148	-
222,787	-	222,787	-
1,062,533	-	1,062,533	-
405,858	-	405,858	-
-	-	-	-
24,920	1,848	26,768	-
-	-	-	-
67,140	-	67,140	-
143,993	(143,993)	-	-
2,897,379	(142,145)	2,755,234	-
(2,064,367)	54,045	(2,010,322)	990
7,069,011	890,918	7,959,929	126,414
\$ 5,004,644	944,963	5,949,607	127,404
\$ 505	-	505	-
256,389	-	256,389	-
158,835	-	158,835	-
78,216	135,461	213,677	-
160,343	25,089	185,432	-
4,350,356	784,413	5,134,769	127,404
\$ 5,004,644	944,963	5,949,607	127,404

City of Williamsburg  
Statement of Cash Receipts, Disbursements  
and Changes in Cash Balances  
Governmental Funds  
As of and for the year ended June 30, 2015

		Special Revenue	
	General	Road Use Tax	Tax Increment Financing
Receipts:			
Property tax	\$ 820,455	-	-
Tax increment financing	-	-	1,060,558
Other city tax	79,159	-	-
Licenses and permits	8,285	-	-
Use of money and property	87,206	-	586
Intergovernmental	26,606	319,018	-
Charges for service	199,327	-	-
Special assessments	-	-	-
Miscellaneous	83,239	1,440	1,975
Total receipts	<u>1,304,277</u>	<u>320,458</u>	<u>1,063,119</u>
Disbursements:			
Operating:			
Public safety	697,653	-	-
Public works	145,405	247,518	-
Health & Social Services	7,800	-	-
Culture and recreation	929,005	-	-
Community and economic development	22,001	-	13,968
General government	185,141	-	-
Debt service	2,850	-	-
Capital projects	-	-	-
Total disbursements	<u>1,989,855</u>	<u>247,518</u>	<u>13,968</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(685,578)</u>	<u>72,940</u>	<u>1,049,151</u>
Other financing sources (uses):			
Operating transfers in	\$ 765,279	-	-
Operating transfers out	-	(40,279)	(1,029,603)
Total other financing sources (uses)	<u>765,279</u>	<u>(40,279)</u>	<u>(1,029,603)</u>
Net change in cash balances	79,701	32,661	19,548
Cash balances beginning of year	<u>2,931,311</u>	<u>126,174</u>	<u>236,841</u>
Cash balances end of year	<u>\$ 3,011,012</u>	<u>158,835</u>	<u>256,389</u>
<b>Cash Basis Fund Balances</b>			
Nonspendable - Thelma Wyman Memorial	\$ -	-	-
Restricted for:			
Urban renewal purposes	-	-	256,389
Debt service	-	-	-
Streets	-	158,835	-
Other Purposes	-	-	-
Committed for capital projects	-	-	-
Assigned for:			
Library	39,239	-	-
Unassigned	<u>2,971,773</u>	<u>-</u>	<u>-</u>
Total cash basis fund balances	<u>\$ 3,011,012</u>	<u>158,835</u>	<u>256,389</u>

See notes to financial statements.

Exhibit B

Debt Service	Capital Projects	Nonmajor	Total
216,684	67,952	-	1,105,091
-	-	-	1,060,558
6,103	2,582	405,858	493,702
-	-	-	8,285
1,068	3,303	354	92,517
-	-	-	345,624
-	-	-	199,327
-	-	-	-
-	-	-	86,654
223,855	73,837	406,212	3,391,758
-	-	-	697,653
-	-	-	392,923
-	-	-	7,800
-	-	-	929,005
-	-	-	35,969
-	-	-	185,141
2,122,951	-	-	2,125,801
-	1,225,826	-	1,225,826
2,122,951	1,225,826	-	5,600,118
(1,899,096)	(1,151,989)	406,212	(2,208,360)
848,596	-	-	1,613,875
-	-	(400,000)	(1,469,882)
848,596	-	(400,000)	143,993
(1,050,500)	(1,151,989)	6,212	(2,064,367)
1,128,716	2,491,333	154,636	7,069,011
78,216	1,339,344	160,848	5,004,644
-	-	505	505
-	-	-	256,389
78,216	-	-	78,216
-	-	-	158,835
-	-	160,343	160,343
-	1,339,344	-	1,339,344
-	-	-	39,239
-	-	-	2,971,773
78,216	1,339,344	160,848	5,004,644

**City of Williamsburg**

## City of Williamsburg

Statement of Cash Receipts, Disbursements  
and Changes in Cash Balances  
Proprietary Funds

As of and for the year ended June 30, 2015

	Enterprise Funds			
	Water	Sewer	Child Care Facility	Total
Operating receipts:				
Charges for service	\$ 342,681	521,206	-	863,887
Operating disbursements:				
Business type activities	323,641	322,994	-	646,635
Excess (deficiency) of operating receipts over (under) operating disbursements	19,040	198,212	-	217,252
Non-operating receipts (disbursements):				
Use of Money & Property	303	1,492	53	1,848
Miscellaneous	32,654	3,773	54,360	90,787
Debt Service	-	(62,445)	(49,404)	(111,849)
Net non-operating receipts (disbursements)	32,957	(57,180)	5,009	(19,214)
Excess (deficiency) of receipts over (under) disbursements	51,997	141,032	5,009	198,038
Other financing sources (uses):				
Transfers out	(22,723)	(121,270)	-	(143,993)
Total other financings sources (uses)	(22,723)	(121,270)	-	(143,993)
Change in cash balances	29,274	19,762	5,009	54,045
Cash balances beginning of year	166,290	704,548	20,080	890,918
Cash balances end of year	\$ 195,564	724,310	25,089	944,963
<b>Cash Basis Fund Balances</b>				
Restricted for debt service	\$ -	135,461	25,089	160,550
Unrestricted	195,564	588,849	-	784,413
Total cash basis fund balances	\$ 195,564	724,310	25,089	944,963

See notes to financial statements.

**City of Williamsburg**



City of Williamsburg

Notes to Financial Statements

June 30, 2015

**(1) Summary of Significant Accounting Policies**

The City of Williamsburg is a political subdivision of the State of Iowa located in Iowa County. It was first incorporated in 1885 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development, and general government services. The City also provides water and sewer utilities for its citizens.

**A. Reporting Entity**

For financial reporting purposes, the City of Williamsburg has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

These financial statements include the City of Williamsburg (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

**Discretely Presented Component Unit**

The Williamsburg Library Foundation, Inc. is presented in a separate column to emphasize that it is a separate entity, but is financially accountable to the City, or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The Williamsburg Library Foundation, Inc. is a non-profit organization created for the sole purpose of raising funds to support the Williamsburg Library. Most revenues are generated from private donations given by individuals and businesses in the area.

Williamsburg Fire Fighters Association, which is incorporated under Chapter 504A of the Code of Iowa, is a component unit because it has the potential to provide benefits to the City of Williamsburg Fire Department. The association is in the process of changing the entity type, and it is the intent that the 501(c)3 process be completed during the next fiscal year. The Fire Fighters Association Board of Directors is, in appearance, essentially the same as the Williamsburg Fire Department. Condensed financial statements for the year ended December 31, 2014 presented in Note 18 were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Unaudited financial statements may be obtained from 102 Fire Ridge Road, Williamsburg, Iowa 52361.

### Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no known ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Iowa County Assessor's Conference Board, Iowa County Joint E911 Service Board, and Regional Environmental Improvement Commission.

### Related Organization

The Friends of the Williamsburg Library is an organization separate from the City. The Friends has been created for the sole purpose of raising funds to support the Williamsburg Library but is not financially accountable to the City.

## **B. Basis of Presentation**

Government-wide Financial Statements – The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary net position. Net position is reported in the following categories/components:

Nonexpendable restricted net position is subject to externally imposed stipulations which require the cash balance to be maintained permanently by the City, including the City's Permanent Fund.

Expendable restricted net position results when constraints placed on the use of cash balances are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of cash balances not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts from general and emergency levies and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Road Use Tax Fund is used to account for the road use tax allocation from the State of Iowa to be used for road construction and maintenance.

The Tax Increment Financing Fund is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

The Debt Service Fund is utilized to account for property tax and other receipts to be used for the payment of interest and principal on the City's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The City reports the following major proprietary funds:

The Enterprise, Water Fund accounts for the operation and maintenance of the City's water system.

The Enterprise, Sewer Fund accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

The Enterprise, Child Care Facility Fund accounts for the debt repayment of the Child Care Facility.

C. Measurement Focus and Basis of Accounting

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications – committed, assigned, and then unassigned fund balances.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Governmental Cash Basis Fund Balances

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the City Council intends to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2015, disbursements did not exceed the amount budgeted.

**(2) Cash and Pooled Investments**

The City's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

### (3) Bonds and Notes Payable

Annual debt service requirements to maturity for general obligation notes and revenue bonds are as follows:

Year Ending June 30,	General Obligation		Revenue Bonds		Total	
	Notes					
	Principal	Interest	Principal	Interest	Principal	Interest
2016	730,000	189,380	64,804	54,690	794,804	244,070
2017	720,000	171,420	67,327	52,589	787,327	224,009
2018	565,000	153,706	69,871	50,443	634,871	204,149
2019	730,000	138,081	71,437	48,197	801,437	186,278
2020	970,000	115,216	74,026	45,898	1,044,026	161,114
2021-2025	1,430,000	345,616	409,845	192,025	1,839,845	537,641
2026-2030	765,000	141,815	103,630	143,390	868,630	285,205
2031-2035	390,000	33,327	124,479	120,489	514,479	153,816
2036-2040			143,922	93,858	143,922	93,858
2041-2045			175,787	61,993	175,787	61,993
2046-2050			217,164	23,081	217,164	23,081
Total	6,300,000	1,288,561	1,522,292	886,653	7,822,292	2,175,214

The Code of Iowa requires principal and interest on general obligation bonds be paid from the Debt Service Fund.

#### Revenue Bonds

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$1,050,000 in sewer revenue bonds issued in June, 2005. Proceeds from the bonds provided financing for the construction of improvements to the sewer treatment system. The bonds are payable solely from sewer customer net receipts and are payable through 2025. Annual principal and interest payments on the bonds are expected to require 35 percent of the net receipts. The total principal and interest remaining to be paid on the bonds is \$707,112. For the current year, principal and interest paid and total customer net receipts were \$70,620 and \$203,477, respectively.

The City has pledged future child care facility customer receipts, net of operating disbursements, to repay \$964,000 in child care facility enterprise revenue notes 1 and 2 issued in July, 2010. Proceeds from the notes provided financing for the acquisition of land and construction, furnishing and equipping of a child care center. The notes are payable solely from child care customer net receipts and are payable through 2050. Annual principal and interest payments on the notes are expected to require 91 percent of the net receipts. The total principal and interest remaining to be paid on the notes is \$1,701,833. For the current year, principal and interest paid and total customer net receipts were \$49,404 and \$54,413, respectively.

The resolutions providing for the issuance of the revenue bonds include the following provisions.

- a. The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.

- b. Sufficient monthly transfers shall be made to the separate sewer and child care facility revenue bond sinking accounts within the Enterprise Funds for the purpose of making the note principal and interest payments when due.
- c. There shall be a special fund to be known and designated as the Surplus Fund into which there shall be set apart and paid all of the net revenues remaining after first making the required payments in the Sinking Fund. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Funds whenever necessary to prevent or remedy a default in the payment of the principal or interest on the Bonds and Parity Obligations.
- d. For the child care facility, there shall be a reserve fund established for 10 percent of each payment up to a maximum of the largest payment.
- e. As long as the Sinking Fund has the full amounts required to be deposited therein by this resolution, any balance in the Surplus Fund may be made available to the City as the Council, or such other duly constituted body as may then be charged with the operation on the utility, may from time to time direct.
- f. The providers of the child care facility have established a depreciation fund to be used for repairs and maintenance over the life of the loan.

**(4) Pension and Retirement Benefits**

Plan Description – IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the assumptions and method approved by the IPERS Investment Board. The actuarial based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the City contributed 8.93 percent for a total rate of 14.88 percent. Protection occupation members contributed 6.76 percent of pay and the City contributed 10.14 percent for a total rate of 16.90 percent.

The City's contributions to IPERS for the year ended June 30, 2015 were \$ 86,945.

Collective Net Pension Liabilities, Collective Pension Expense, and Collective Deferred Outflows of Resources and Collective Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the City's liability for its proportionate share of the collective net pension liability totaled \$256,722. The collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the collective net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the City's proportion was 0.006473 percent, which was a decrease of 0.002462 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City collective pension expense, collective deferred outflows and collective deferred inflows totaled \$32,663, \$105,441, and \$49,299 respectively.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	23%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
City's proportionate share of the net pension liability	\$ 722,940	\$ 256,722	\$ (136,571)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).



**(5) Other Postemployment Benefits (OPEB)**

Plan Description -The City operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are eighteen active and zero retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the benefit plan on a pay-as-you-go basis. The most recent active member's monthly premiums for the City and plan members are \$529 for single coverage and \$1,323 for family coverage. For the year ended June 30, 2015, the City contributed \$270,501 and plan members eligible for benefits contributed \$0 to the plan.

**(6) Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation and compensatory termination payments payable to employees at June 30, 2015, primarily relating to the General Fund, is as follows:

Type of Benefit	Amount
Vacation	\$42,211
Compensatory	26,198
Holiday	<u>16,998</u>
Total	<u>\$85,407</u>

This liability has been computed based on rates of pay in effect at June 30, 2015.

City employees also accumulate a limited amount of earned but unused sick leave hours, personal time, and holiday pay for subsequent use. However, sick leave time and personal time is canceled if an employee leaves his or her employment with the City.

**(7) Economic Development**

On November 28, 2011 the City entered into a Development Agreement with WLW Ltd. Partnership, in which the City agrees to make economic development tax rebate payments to WLW Ltd. Partnership, pursuant to Chapter 15A and 403 of the Code of Iowa, an amount which represents 50% of the property taxes paid with respect to the incremental property valuation of the construction project to construct a facility for WLW Ltd. Partnership not to exceed the amount of \$450,000. The tax rebate payments shall not constitute general obligations of the City, but shall be paid solely and only from incremental property taxes received by the City from the County Treasurer which are attributable to the construction project.

**(8) Related Party Transactions**

The City had business transactions between City and City officials totaling \$942 during the year ended June 30, 2015.

**(9) Boyd Monies**

Walter C. Boyd left the balance of his estate to the town of Williamsburg, Iowa, to be used as the City sees fit. The City Council set up a separate account in the General Fund to track this money and show the citizens where the money is being spent.

**(10) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	Local Option Sales Tax	\$ 400,000
	Tax Increment Financing	325,000
	Road Use	40,279
		<u>\$ 765,279</u>
Debt Service	Special Revenue:	
	Tax Increment Financing	\$ 704,604
	Enterprise:	
	Water	22,722
	Sewer	121,270
		<u>\$ 848,596</u>
Total		<u>\$ 1,613,875</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

**(11) Thelma Wyman Memorial**

During August of 1991, the family of Thelma Wyman contributed \$500 to be put into an interest bearing account, the principal of which is to remain intact and cannot be withdrawn for any reason. One percent of the yearly interest shall be added to and become part of the principal. The remaining interest from this account is paid to Williamsburg Public Library to be used as the Library Board deems necessary in order to maintain the library.

**(12) Risk Management**

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(13) Partial Self Funded Insurance**

The City will pay up to \$1,250 for a single and up to \$2,500 for a family for each employee's deductible on his or her health insurance plan. For the period ended June 30, 2015, the City had eighteen employees on the partial self-funded insurance plan with a maximum liability of \$42,500 and expenditures of \$6,046.

**(14) Leases**

The City leases property to the school under an operating lease requiring payments of \$25,000 on November 1, 2014 and April 15, 2015. The lease is for July 1, 2014 to June 30, 2015. Total lease payments received for the year ended June 30, 2015 are \$50,000.

**(15) Regional Environmental Improvement Commission**

The City, in conjunction with all other municipalities in Iowa County, has created the Regional Environmental Improvement Commission. The Commission was established for the primary purpose of providing for the collection and disposal of solid waste produced or generated by each participant. On dissolution of the corporation, the net assets of the Commission will be prorated among the municipalities. The Commission is governed by a board composed of an elected representative of the governing body of each participating governmental jurisdiction.

During the year ended June 30, 2015, the City of Williamsburg paid Cox Sanitation \$100,043. The sanitation company is then responsible for paying all landfill fees for the City's share of the cost. Completed financial statements for the Commission can be obtained from the Regional Environmental Improvement Commission.

**(16) Management and Use Agreement**

Due to the importance of affordable childcare the City constructed a daycare facility and signed a management agreement with Williamsburg Community Childcare Center and K.I.N.D Care to operate and maintain the child care facility. A lease purchase has been signed based on the total cost of the building.

The remaining annual debt payments are as follows:

Year Ending June 30	USDA Child Care Facility Enterprise Rev Note 1 & 2	
	Principal	Interest
2016	12,804	36,600
2017	13,327	36,077
2018	13,871	35,533
2019	14,437	34,967
2020	15,026	34,378
2021-2025	84,845	162,175
2026-2030	103,630	143,390
2031-2035	124,479	120,489
2036-2040	143,922	93,858
2041-2045	175,787	61,993
2046-2050	217,164	23,081
Total	919,292	782,541

The City maintains the right to repurchase the land if either childcare providers decide to sell the childcare facility.

**(17) Conduit Debt Obligation**

On November 13, 2006, Nursing and Independent Living Facilities Revenue Bonds (Williamsburg Retirement Community, Inc. Project) in the amount not to exceed \$7,000,000 were issued to finance the costs of construction and furnishing a 44 bed skilled nursing facility and 8 independent living units.

On June 10, 2014, Williamsburg Retirement Community Project Refunding Revenue Bonds in the amount of \$8,400,000 were issued. These revenue bonds were issued for the purpose of refunding the previous issuance of Revenue Bonds (Series 2005 Bonds) which was issued to refund two previous issuances of Revenue Bonds (Series 2002 Bonds and Series 2003 Bonds) which financed the cost of construction of the Williamsburg Retirement Community, Inc. Project.

These bonds are a special limited obligation of the City and shall not be payable from or charged upon any funds other than Loan Repayments made by the Williamsburg Retirement Community, Inc. The bonds do not constitute a debt of the City within any constitutional or statutory limitation.

**(18) The Williamsburg Firefighters Association**

The Williamsburg Firefighters Association provides benefits to the City of Williamsburg Fire Department. The Association reports its financial activity using a calendar year end. As permitted by GASB Statement No. 34, the City has opted to present condensed financial information for its discretely presented component unit. Following is the unaudited condensed financial information for the Williamsburg Firefighters Association for the year ended December 31, 2014.

	Williamsburg Firefighters Association
Receipts:	
Miscellaneous	\$ 61,285
Total receipts	61,285
Disbursements:	
Public safety	61,755
Total disbursements	61,755
Excess of receipts over disbursements	(470)
Cash balance beginning of year	37,283
Cash balance end of year	\$ 36,813

**(19) Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 1, 2015, the date of the report.

## **Other Information**

City of Williamsburg

Budgetary Comparison Schedule  
of Receipts, Disbursements, and Changes in Balances -  
Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

Other Information

Year ended June 30, 2015

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
Receipts:			
Property tax	\$ 1,105,091	-	-
Tax increment financing	1,060,558	-	-
Other city tax	493,702	-	-
Licenses and permits	8,285	-	-
Use of money and property	92,517	1,848	-
Intergovernmental	345,624	-	-
Charges for service	199,327	863,887	-
Miscellaneous	86,654	90,787	-
Total receipts	<u>3,391,758</u>	<u>956,522</u>	<u>-</u>
Disbursements:			
Public safety	697,653	-	-
Public works	392,923	-	-
Health and social services	7,800	-	-
Culture and recreation	929,005	-	-
Community and economic development	35,969	-	-
General government	185,141	-	-
Debt service	2,125,801	-	-
Capital projects	1,225,826	-	-
Business type activities	-	758,484	-
Total disbursements	<u>5,600,118</u>	<u>758,484</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	(2,208,360)	198,038	-
Other financing sources (uses), net	<u>143,993</u>	<u>(143,993)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(2,064,367)	54,045	-
Balances beginning of year	<u>7,069,011</u>	<u>890,918</u>	<u>984</u>
Balances end of year	<u>\$ 5,004,644</u>	<u>944,963</u>	<u>984</u>

See accompanying Independent Auditors' Report.

Total	Budgeted Amounts		Final to
	Original	Final	Total Variance
1,105,091	1,084,122	1,084,122	20,969
1,060,558	1,056,071	1,056,071	4,487
493,702	469,825	469,825	23,877
8,285	10,250	10,250	(1,965)
94,365	97,400	97,400	(3,035)
345,624	324,255	324,255	21,369
1,063,214	1,061,750	1,061,750	1,464
177,441	148,260	148,260	29,181
4,348,280	4,251,933	4,251,933	96,347
697,653	707,678	707,678	10,025
392,923	414,040	414,040	21,117
7,800	7,800	7,800	-
929,005	1,119,064	1,119,064	190,059
35,969	56,050	56,050	20,081
185,141	186,122	191,122	5,981
2,125,801	2,166,566	2,166,566	40,765
1,225,826	-	1,345,000	119,174
758,484	816,255	816,255	57,771
6,358,602	5,473,575	6,823,575	464,973
(2,010,322)	(1,221,642)	(2,571,642)	561,320
-	-	-	-
(2,010,322)	(1,221,642)	(2,571,642)	561,320
7,958,945	5,394,330	6,601,342	1,357,603
5,948,623	4,172,688	4,029,700	1,918,923

## **Other Information**



City of Williamsburg

Notes to Other Information – Budgetary Reporting

June 30, 2015

The budgetary comparison is presented in accordance with Governmental Accounting Standards Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except Fiduciary Funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased disbursements by \$1,350,000. The budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2015, disbursements did not exceed the amount budgeted.

## **Other Information**

City of Williamsburg  
Schedule of the City's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System  
Last Fiscal Year\*  
(In Thousands)

Other Information

	<u>2015</u>
City's proportion of the net pension liability	0.006473%
City's proportionate share of the net pension liability	\$ 257
City's covered-employee payroll	\$ 1,045
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	24.59%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

\* The amounts presented for each fiscal year were determined as of June 30.

See accompanying Independent Auditors' Report.

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Williamsburg  
Schedule of City Contributions

Iowa Public Employees' Retirement System  
Last 6 Fiscal Years  
(In Thousands)

Other Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 87	83	80	73
Contributions in relation to the statutorily required contribution	<u>(87)</u>	<u>(83)</u>	<u>(80)</u>	<u>(73)</u>
Contribution deficiency (excess)	\$ -	-	-	-
City's covered-employee payroll	\$ 1,045	1,015	989	960
Contributions as percentage of covered-employee payroll	8.33%	8.18%	8.09%	7.60%

See accompanying Independent Auditors' Report.

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

<u>2011</u>	<u>2010</u>
67	64
<u>(67)</u>	<u>(64)</u>
-	-
935	936
7.17%	6.84%

## **Other Information**

City of Williamsburg

Notes to Other Information – Pension Liability

Year ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.



## City of Williamsburg

Statement of Cash Receipts, Disbursements  
and Changes in Cash Balances  
Nonmajor Governmental Funds

As of and for the year ended June 30, 2015

	Special Revenue	Permanent	
	Local Option Sales Tax	Thelma Wyman Memorial	Total
Receipts:			
Property tax	\$ -	-	-
Tax Increment Financing Collections	-	-	-
Other City Tax	405,858	-	405,858
License and Permits	-	-	-
Use of Money & Property	354	-	354
Intergovernmental	-	-	-
Charges for Service	-	-	-
Special Assessments	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>406,212</u>	<u>-</u>	<u>406,212</u>
Disbursements:			
Operating:			
Public Safety	-	-	-
Public Works	-	-	-
Health & Social Services	-	-	-
Culture and recreation	-	-	-
Community and economic development	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>406,212</u>	<u>-</u>	<u>406,212</u>
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	<u>(400,000)</u>	<u>-</u>	<u>(400,000)</u>
Total other financing sources (uses)	<u>(400,000)</u>	<u>-</u>	<u>(400,000)</u>
Change in cash balances	6,212	-	6,212
Cash balances beginning of year	<u>153,652</u>	<u>984</u>	<u>154,636</u>
Cash balances end of year	<u>\$ 159,864</u>	<u>984</u>	<u>160,848</u>
<b>Cash Basis Fund Balances</b>			
Nonspendable - Thelma Wyman Memorial	\$ -	505	505
Restricted for other purposes	<u>159,864</u>	<u>479</u>	<u>160,343</u>
Total cash basis fund balances	<u>\$ 159,864</u>	<u>984</u>	<u>160,848</u>

See accompanying Independent Auditors' Report.

City of Williamsburg  
Schedule of Indebtedness  
Year ended June 30, 2015

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation bonds:			
Corporate purpose - capital projects	4/1/2008	2.50-4.10%	1,000,000
Corporate purpose - street, water, & sewer series 2009B	4/1/2009	3.5-4.20%	1,675,000
Urban renewal bonds - library	4/1/2010	2.25-3.50%	2,500,000
Refunding bond, series 2011	7/1/2011	2.00-3.50%	32,700
Corporate purpose 2012	6/11/2012	0.45-3.45%	1,500,000
Corporate purpose, series 2014	6/10/2014	2.0-4.0%	1,600,000
Urban bond 2014	1/2/2014	2.35%	900,000
Total			
Revenue bonds:			
Sewer Revenue Bonds	6/13/2005	3.00%	\$ 1,050,000
USDA Childcare facility enterprise revenue note 1	7/1/2010	4.00%	928,000
USDA Childcare facility enterprise revenue note 2	7/1/2010	4.00%	36,000
Total			

See accompanying Independent Auditors' Report.

Schedule 2

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid	Interest Due and Unpaid
250,000	-	110,000	140,000	9,755	-
525,000	-	100,000	425,000	21,250	-
1,700,000	-	200,000	1,500,000	53,500	-
2,255,000	-	315,000	1,940,000	62,100	-
955,000	-	45,000	910,000	22,515	-
1,600,000	-	215,000	1,385,000	43,217	-
900,000	-	900,000	-	15,804	-
<u>8,185,000</u>	<u>-</u>	<u>1,885,000</u>	<u>6,300,000</u>	<u>228,141</u>	<u>-</u>
654,000	-	51,000	603,000	19,620	-
906,306	-	11,471	894,835	36,084	-
25,285	-	828	24,457	1,020	-
<u>1,585,591</u>	<u>-</u>	<u>63,299</u>	<u>1,522,292</u>	<u>56,724</u>	<u>-</u>

City of Williamsburg  
Bond and Note Maturities  
June 30, 2015

Year Ending June 30,	Corporate Purpose Capital Projects		Corporate Purpose Street, Water, & Sewer series 09B		General Obligation Urban Renewal Bonds - Library	
	Issued Apr 1, 2008		Issued Apr 1, 2009		Issued Apr 1, 2010	
	Interest		Interest		Interest	
	Rates	Amount	Rates	Amount	Rates	Amount
2016	4.10	-	4.00	100,000	2.75	200,000
2017	4.10	-	4.00	100,000	2.75	200,000
2018	4.10	-	4.00	100,000	3.25	200,000
2019	4.10	140,000	4.20	125,000	3.25	200,000
2020		-		-	3.50	700,000
2021		-		-		-
2022		-		-		-
2023		-		-		-
2024		-		-		-
2025		-		-		-
2026		-		-		-
2027		-		-		-
2027		-		-		-
2029		-		-		-
2030		-		-		-
2031		-		-		-
2032		-		-		-
2033		-		-		-
2034		-		-		-
Total		<u>\$140,000</u>		<u>\$ 425,000</u>		<u>\$ 1,500,000</u>

See accompanying Independent Auditors' Report.

Schedule 3

Bonds						
Refunding Bond, series 2011		Corporate Purpose		Corporate Purpose, Series 2014		
Issued July 1, 2011		Issued June 11, 2012		Issued Jun 10, 2014		
Interest		Interest		Interest		
Rates	Amount	Rates	Amount	Rates	Amount	Total
2.10	310,000	1.00	45,000	2.00	75,000	730,000
2.10	265,000	1.00	45,000	2.00	110,000	720,000
2.15	100,000	1.35	50,000	2.00	115,000	565,000
2.40	100,000	1.35	50,000	2.00	115,000	730,000
2.60	100,000	1.80	50,000	2.00	120,000	970,000
2.80	100,000	1.80	50,000	2.13	120,000	270,000
3.50	180,000	2.25	50,000	2.75	45,000	275,000
3.50	190,000	2.25	50,000	2.75	45,000	285,000
3.50	195,000	2.50	50,000	2.75	50,000	295,000
3.50	200,000	2.50	55,000	3.75	50,000	305,000
3.50	200,000	2.85	55,000	3.75	50,000	305,000
-	-	2.85	55,000	3.75	55,000	110,000
-	-	3.00	55,000	3.75	55,000	110,000
-	-	3.00	60,000	3.75	60,000	120,000
-	-	3.45	60,000	4.00	60,000	120,000
-	-	3.45	65,000	4.00	60,000	125,000
-	-	3.45	65,000	4.00	65,000	130,000
-	-	-	-	4.00	65,000	65,000
-	-	-	-	4.00	70,000	70,000
<u>\$1,940,000</u>		<u>\$ 910,000</u>		<u>\$ 1,385,000</u>		<u>\$6,300,000</u>

**City of Williamsburg**

## City of Williamsburg

## Bond and Note Maturities

June 30, 2015

Year ending June 30,	Revenue Bonds						Total
	Sewer Revenue Bonds		USDA Child Care Facility Ent Rev		USDA Child Care Facility Ent Rev		
			Note 1		Note 2		
	Issued Jun 13, 2005		Issued July 1, 2010		Issued July 1, 2010		
	Interest		Interest		Interest		
Rates	Amount	Rates	Amount	Rates	Amount		
2016	3.00	52,000	4.00	11,920	4.00	884	64,804
2017	3.00	54,000	4.00	12,407	4.00	920	67,327
2018	3.00	56,000	4.00	12,913	4.00	958	69,871
2019	3.00	57,000	4.00	13,440	4.00	997	71,437
2020	3.00	59,000	4.00	13,989	4.00	1,038	74,027
2021	3.00	61,000	4.00	14,559	4.00	1,080	76,639
2022	3.00	63,000	4.00	15,154	4.00	1,124	79,278
2023	3.00	65,000	4.00	15,772	4.00	1,170	81,942
2024	3.00	67,000	4.00	16,416	4.00	1,218	84,634
2025	3.00	69,000	4.00	17,086	4.00	1,267	87,353
2026			4.00	17,783	4.00	1,319	19,102
2027			4.00	18,509	4.00	1,373	19,882
2028			4.00	19,264	4.00	1,429	20,693
2029			4.00	20,050	4.00	1,487	21,537
2030			4.00	20,868	4.00	1,548	22,416
2031			4.00	21,720	4.00	1,611	23,331
2032			4.00	22,606	4.00	1,677	24,283
2033			4.00	23,529	4.00	1,745	25,274
2034			4.00	24,489	4.00	1,612	26,101
2035			4.00	25,489			25,489
2036			4.00	26,529			26,529
2037			4.00	27,612			27,612
2038			4.00	28,738			28,738
2039			4.00	29,911			29,911
2040			4.00	31,132			31,132
2041			4.00	32,402			32,402
2042			4.00	33,725			33,725
2043			4.00	35,101			35,101
2044			4.00	36,534			36,534
2045			4.00	38,025			38,025
2046			4.00	39,576			39,576
2047			4.00	41,192			41,192
2048			4.00	42,873			42,873
2049			4.00	44,622			44,622
2050			4.00	48,900			48,900
Total		\$603,000		894,835		\$ 24,457	\$1,522,292

City of Williamsburg

Schedule of Receipts By Source and Disbursements By Function -  
All Governmental Funds

For the Last Ten Years

	2015	2014	2013	2012
Receipts:				
Property tax	\$ 1,105,091.00	624,902	983,286	840,334
Tax increment financing	1,060,558	1,672,383	1,900,312	1,922,728
Other city tax	493,702	468,440	619,740	608,616
Licenses and permits	8,285	16,506	9,928	13,679
Use of money and property	92,517	94,716	103,240	105,801
Intergovernmental	345,624	336,094	321,195	471,044
Charges for service	199,327	218,627	239,249	212,070
Special assessments	-	-	-	-
Miscellaneous	86,654	75,628	290,206	128,272
Total	<u>\$ 3,391,758</u>	<u>3,507,296</u>	<u>4,467,156</u>	<u>4,302,544</u>
Disbursements:				
Operating:				
Public safety	\$ 697,653	710,079	641,143	642,713
Public works	392,923	395,373	385,276	348,373
Health and social services	7,800	1,200	1,200	1,200
Culture and recreation	929,005	788,584	756,956	729,557
Community and economic development	35,969	35,632	27,465	18,312
General government	185,141	179,052	167,650	177,746
Debt service	2,125,801	1,566,793	1,299,386	4,597,964
Capital projects	1,225,826	1,168,824	1,248,578	1,469,021
Total	<u>\$ 5,600,118</u>	<u>4,845,537</u>	<u>4,527,654</u>	<u>7,984,886</u>

See accompanying Independent Auditors' Report.



Schedule 4

2011	2010	2009	2008	2007	2006
840,637	920,013	787,373	593,123	944,096	526,093
1,922,005	1,745,232	1,631,084	1,563,029	1,500,055	1,469,800
460,232	408,555	423,988	446,083	419,263	347,347
11,097	19,174	185,011	327,267	253,153	258,356
132,757	161,152	5,590	8,787	6,247	24,916
736,767	685,869	489,155	313,959	260,262	310,225
208,184	193,888	206,977	239,226	242,471	194,269
-	648	964	948	1,004	1,113
391,294	174,680	149,177	563,337	868,333	158,791
<u>4,702,973</u>	<u>4,309,211</u>	<u>3,879,319</u>	<u>4,055,759</u>	<u>4,494,884</u>	<u>3,290,910</u>
619,806	616,863	597,270	557,288	569,356	509,101
560,959	363,839	395,385	393,721	374,606	400,671
1,200	1,200	1,200	1,200	1,200	1,000
680,291	726,768	717,422	1,242,755	1,837,607	791,147
118,502	117,399	107,631	93,870	217,725	221,911
176,070	191,063	203,736	173,863	166,960	146,756
1,555,153	1,405,313	2,938,235	1,350,466	1,338,712	1,110,648
3,311,959	1,369,740	3,009,992	343,686	1,919,561	2,384,546
<u>7,023,940</u>	<u>4,792,185</u>	<u>7,970,871</u>	<u>4,156,849</u>	<u>6,425,727</u>	<u>5,565,780</u>

**City of Williamsburg**

# MURPHY, SMITH & Co. PLLC

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Independent Auditors' Report on Internal Control  
over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance  
with Government Auditing Standards

To the Honorable Mayor and  
Members of the City Council:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in the Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Williamsburg, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 1, 2015. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Williamsburg's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Williamsburg's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Williamsburg's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility a material misstatement of City of Williamsburg's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings as item II-A-15 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings as item II-B-15 and II-C-15 to be significant deficiencies.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Williamsburg's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

#### The City of Williamsburg's Responses to Findings

The City of Williamsburg's responses to findings identified in our audit are described in the accompanying Schedule of Findings. The City of Williamsburg's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Williamsburg during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Murphy, Smith & Co, PLLC*

Murphy, Smith & Co. PLLC  
Certified Public Accountants  
Osage, Iowa  
October 1, 2015

City of Williamsburg

Schedule of Findings

Year ended June 30, 2015

**Part I: Summary of the Independent Auditors, Results:**

- (a) Unmodified opinions were issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the basic financial statements.
- (d) The audit disclosed audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).

**City of Williamsburg**

City of Williamsburg  
Schedule of Findings  
Year ended June 30, 2015

**Part II: Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

- II-A-15     Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that each of the office personnel has control over several incompatible office and accounting functions.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response – We will consider this.

Conclusion – Response acknowledged. The City should segregate duties to the extent possible with existing personnel and utilize administrative personnel to provide additional control through review of financial transactions and reports.

- II-B-15     Water Loss - Water usage reports calculated by the utility clerk indicate a fluctuation water loss problem. Review of water usage reports from 2015 reveal that the City lost an average of approximately 3,400,000 gallons of water per month during the last six months of the year.

Recommendation - Since water loss can occur because of leaks and/or unmetered usage, continuing efforts should be made to investigate why the City is experiencing substantial water loss.

Response - We will continue to investigate the water loss.

Conclusion - Response accepted.

- II-C-15     Reconciliation of Utility Billings– Utility billings were not reconciled throughout the year. A reconciliation is designed to ensure the proper recordings of utility receipts, the propriety of adjustments and write-offs.

Recommendation – Procedures should be established to reconcile utility billings for each billing period.

Response – These procedures will be implemented as recommended.

Conclusion – Response accepted

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**City of Williamsburg**



City of Williamsburg

Schedule of Findings

Year ended June 30, 2015

**Part III: Other Findings Related to Statutory Reporting:**

III-A-15 Certified Budget – Disbursements during the year ended June 30, 2015 did not exceed the amounts budgeted.

III-B-15 Questionable Disbursements – No disbursements that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

III-C-15 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

III-D-15 Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Martin Bunge, City Council Member, Owner of Martin Bunge Photography	Website updates	\$942

In accordance with Chapter 362.5(3)(d) of the Code of Iowa, the transactions with the City Council Member do not appear to represent conflicts of interest since total transactions were less than \$1,500 during the fiscal year.

III-E-15 Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

III-F-15 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.

III-G-15 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy were noted.

III-H-15 Revenue Bonds and Notes – No instances of non-compliance with the revenue bond and note resolution were noted.